

## 2004 FIRST QUARTER REPORT

January 1 – March 31, 2004



### NORTON SOUND ECONOMIC DEVELOPMENT CORPORATION

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## **I. Quarterly Highlights**

- NSEDC standing committees held their 2003 fourth quarter meetings in Nome on January 21 - 22, 2004.
- NSEDC Board of Directors held their 2003 fourth quarter meetings in Nome on January 22 - 23, 2004.
- Glacier Fish Company held their quarterly management meeting on March 8, 2004.
- NSEDC awarded \$84,811.50 to 71 residents in post-secondary scholarships during the first quarter of 2004.
- NSEDC awarded \$23,750 to 19 residents in vocational scholarships during the first quarter of 2004.
- Twenty-five residents of member communities or of nearby communities worked on the *F/V Northern Glacier*, *F/V Pacific Glacier* and the *F/V Norton Sound* earning a total of \$214,248.97 in wages in the first quarter.
- Two residents worked for Norton Sound Ventures LLC as deckhands for the CDQ Opilio crab fishery during the first quarter.
- NSEDC sponsored a Fisheries Safety Orientation Class at the Alaska Vocational Technical Center from February 8 –19, 2004, in which twelve participants successfully completed the course.
- NSEDC purchased 1,038 lbs. of Norton Sound winter red king crab from two fishermen for a total value to the fishermen of \$3,952.00.
- Three internships were sponsored by NSEDC during the first quarter. Internships were sponsored at NSEDC Norton Sound Fisheries R & D (1) and NSEDC Administration (2).
- Three NSEDC projects were approved for continuation by the Norton Sound Steering Committee, including the Juvenile Chum Salmon Ecology Study, the Chum and Coho Salmon Fecundity Study and the Coho Salmon Production Study.
- NSEDC distributed a newsletter to each boxholder in our member communities.

## **II. Community Development**

### **A. Progress Toward Goals, Objectives, Milestones**

#### **Administrative**

MILESTONE: NSEDC BOARD OF DIRECTORS WILL HOLD REGULARLY SCHEDULED MEETINGS DURING EACH QUARTER IN 2003-2005

Activity: NSEDC Board of Directors held their 2003 fourth quarter meetings in Nome on January 21 – 23, 2004.

MILESTONE: NSEDC WILL HAVE AN ANNUAL AUDIT TO BE COMPLETED BEFORE MAY 31 OF 2003-2005

Activity: NSEDC contracted with KPMG to conduct the NSEDC 2003 Annual Audit, which was completed in the first quarter.

MILESTONE: NSEDC WILL PREPARE AND SUBMIT AN ANNUAL BUDGET FOR THE FOLLOWING YEAR, NOT LATER THAN THE END OF THE FIRST QUARTER OF EACH YEAR.

Activity: NSEDC submitted an annual budget for 2004 in December of 2003.

MILESTONE: NSEDC WILL PREPARE A CORPORATE ANNUAL REPORT FOR ITS MEMBERS, AND MAIL IT TO RESIDENTS IN THE FIFTEEN MEMBER COMMUNITIES BY THE THIRD QUARTER OF 2003-2005

Activity: NSEDC began the development of the 2003 Corporate Annual Report during the first quarter.

MILESTONE: NSEDC WILL PROVIDE STAFF TRAINING EACH YEAR, NOT LATER THAN THE END OF THE FOURTH QUARTER

Activity: No activity this quarter

MILESTONE: NSEDC WILL FILE QUARTERLY REPORTS TO THE STATE OF ALASKA WITHIN THIRTY DAYS OF THE END OF EACH CALENDAR QUARTER

Activity: Quarterly reports for the fourth quarter of 2003 were submitted to the State of Alaska on January 30, 2004.

MILESTONE: NSEDC WILL FILE AN ANNUAL REPORT TO THE STATE OF ALASKA BY MAY 31 OF EACH YEAR

Activity: The NSEDC 2003 Annual report was submitted to the State of Alaska on January 30, 2004.

MILESTONE: NSEDC WILL SUBMIT AN OMNIBUS BUDGET PLAN AMENDMENT, BY THE END OF THE SECOND QUARTER OF EACH YEAR

Activity: No activity this quarter.

### **CDQ Harvest Management**

MILESTONE: BY THE END OF THE THIRD QUARTER OF THE YEAR 2005 NEGOTIATE NEW HARVEST AGREEMENTS FOR ALL MULTISPECIES CDQ.

Activity: No activity this quarter.

MILESTONE: NSEDC AND GFC WILL HARVEST IT CDQ POLLOCK ALLOCATION, AS MUCH AS PRACTICABLE WITHOUT OVER-HARVEST, BY THE END OF EACH FISHING SEASON.

Activity: During the first quarter, NSEDC with our partner GFC harvested 13,126 metric tons of CDQ pollock using the *F/V Northern Glacier* and the *F/V Pacific Glacier*

MILESTONE: NSEDC AND ITS HARVEST PARTNERS FOR CRAB WILL HARVEST ITS CDQ ALLOCATIONS, AS CLOSE AS REASONALBY POSSIBLE WITHOUT OVER-HARVEST, OF CRAB BY THE END OF THE FISHING SEASON EACH YEAR FOR EACH SPECIES.

Activity: During the first quarter, the *F/V Alaskan Beauty* and the *F/V Pacific Star* (NSEDC partially owned vessels) harvested a total of 311,570 lbs of Bering Sea opilio crab.

MILESTONE: NSEDC AND ITS HARVESTING PARTNERS FOR PACIFIC COD, GREENLAND TURBOT, AND SABLEFISH WILL HARVEST ITS CDQ ALLOCATIONS, AS MUCH AS PRACTIVABLE WITHOUT OVER-HARVEST, BY THE END OF THE FISHING SEASON EACH YEAR FOR EACH SPECIES.

Activity: NSEDC and our partners harvested approximately 663 metric tons of CDQ Pacific cod using the *F/V Norton Sound* (GFC) and the *F/V Glacier Bay* (NSV) during the first quarter.

MILESTONE: NSEDC AND ITS HARVESTING PARTNER FOR ROCK SOLE WILL HARVEST ITS CDQ ALLOCATION, AS MUCH AS PRACTICABLE WITHOUT OVER-HARVEST, BY THE END OF THE FISHING SEASON EACH YEAR.

Activity: There was no directed harvest of rock sole and/or other flatfish fisheries during the first quarter of 2004.

MILESTONE: NSEDC AND ITS HARVESTING PARTNER FOR ATKA MACKEREL WILL HARVEST IT CDQ ALLOCATION, AS MUCH AS PRACTICABLE WITHOUT OVER-HARVEST, BY THE END OF THE FISHING SEASON EACH YEAR.

Activity: There was no directed harvest of Atka mackerel during the first quarter of 2004.

MILESTONE: NSEDC WILL ATTEND NORTH PACIFIC FISHERIES MANAGEMENT COUNCIL MEETINGS IN 2003-2005 .

Activity: NSEDC staff and representatives attended the NPFMC meetings in Anchorage during the week of February 2 - 6 at the Anchorage Hilton.

### **Fund for Purchase of Equity Interest**

MILESTONE: NSIC WILL MAKE A REPORT TO THE BOARD OF DIRECTORS OF NSEDC AT EACH QUARTERLY NSEDC BOARD MEETING.

Activity: NSIC gave a report to the NSEDC Board of Directors at the 2003 first quarter meetings in January 2004.

MILESTONE: NSIC MANAGEMENT COMMITTEE WILL MEET AT LEAST ONCE EACH QUARTER

Activity: NSIC Management Committee met on January 21, 2004.

MILESTONE: NSIC WILL EVALUATE THE POTENTIAL FOR EQUITY INVESTMENT IN ONE OR MORE BERING SEA FISHING COMPANIES BY THE END OF THE FOURTH QUARTER OF EACH YEAR 2003 THROUGH 2005

Activity: Activity is ongoing.

MILESTONE: NSIC WILL TIMELY RESPOND TO ANY OFFER MADE UNDER A BUY/SELL AGREEMENT IN INVESTMENTS TO WHICH NSIC IS A PARTY

Activity: No buy-sell offers were made during the first quarter of 2004.

MILESTONE: NSIC WILL ATTEND ALL REGULAR AND SPECIAL MEETINGS OF THE OWNERS FOR COMPANIES IN WHICH NSIC HAS A DIRECT OWNERSHIP INTEREST, OTHER THAN PASSIVE EQUITY INTEREST, AND A RIGHT TO ATTEND AND PARTICIPATE IN THE MEETING.

Activity: NSIC attended the GFC quarterly meeting on March 8, 2004.

MILESTONE: NSIC WILL INCREASE ITS LEVEL OF EQUITY INVESTMENT IN THE FISHING INDUSTRY BY THE END OF THE 4<sup>TH</sup> QUARTER 2005

Activity: No new NSIC equity investments in the fishing industry were consummated in the first quarter 2004.

### **Funding for Harvesting and Tendering Vessel**

MILESTONE: NSIC WILL EVALUATE THE POTENTIAL FOR INVESTMENT IN ONE OR MORE BERING SEA FISHING VESSELS BY THE END OF THE FOURTH QUARTER OF EACH YEAR 2003 THROUGH 2005

Activity: Activity is ongoing.

MILESTONE: NSIC WILL TIMELY RESPOND TO ANY OFFER MADE UNDER A BUY/SELL AGREEMENT IN INVESTMENTS TO WHICH NSIC IS A PARTY

Activity: No buy-sell offers were made during the fourth quarter of 2003.

MILESTONE: NSIC WILL ATTEND ALL REGULAR AND SPECIAL MEETINGS OF THE OWNERS FOR COMPANIES IN WHICH NSIC HAS A DIRECT OWNERSHIP INTEREST, OTHER THAN PASSIVE EQUITY INTEREST, AND A RIGHT TO ATTEND AND PARTICIPATE IN THE MEETING

Activity: NSIC attended the GFC quarterly meeting on March 8, 2004.

MILESTONE: NSIC WILL HAVE AN INTEREST IN ONE OR MORE ADDITIONAL HARVEST VESSELS BY THE END OF THE FOURTH QUARTER 2005.

Activity: Activity is ongoing.

### **Fund for IFQ Purchases**

MILESTONE: NSIC WILL EVALUATE THE POTENTIAL FOR ACQUISITION OF ADDITIONAL QUOTA SHARE BY THE END OF THE FOURTH QUARTER OF EACH YEAR 2003 THROUGH 2005, AND WILL ACQUIRE ADDITIONAL QUOTA SHARE BY THE END OF THE FOURTH QUARTER 2005

Activity: Activity is ongoing

MILESTONE: NSIC WILL PUT THE IFQ IT OWNS OUT FOR HARVEST, AND HARVEST AS MUCH AS REASONABLY POSSIBLE BY THE END OF THE FOURTH QUARTER EACH YEAR

Activity: Activity is ongoing.



### **Education, Employment and Training Program – Education & Training Component**

MILESTONE: NSEDC WILL HAVE PROVIDED FISHERIES SKILLS TRAINING OPPORTUNITIES UNDER THIS CDP FOR 45 RESIDENTS OF THE REGION OR OF NEARBY COMMUNITIES BY THE END OF THE FOURTH QUARTER OF EACH YEAR.

Activity: A Fisheries Safety Orientation class was held at the Alaska Vocational Technical Center in Seward from February 8 – 19, 2004 in which twenty residents were given the opportunity for training, but only twelve residents successfully completed the course.

MILESTONE: NSEDC WILL AWARD AT LEAST \$120,000 IN SCHOLARSHIPS TO STUDENTS BY THE END OF THE FOURTH QUARTER OF EACH YEAR.

Activity: NSEDC awarded \$84,811.50 to seventy-one students in post-secondary scholarships and \$23,750 to nineteen students in vocational scholarships in the first quarter of 2004.

MILESTONE: NSEDC EET PERSONNEL WILL MAKE OUTREACH VISITS FOR THIS PROGRAM TO AT LEAST FIVE COMMUNITIES IN THE REGION OR OF NEARBY COMMUNITIES BY THE END OF THE FOURTH QUARTER OF EACH YEAR.

Activity: No activity this quarter.

MILESTONE: NSEDC WILL EVALUATE AND FUND AT LEAST ONE K-12 SUPPORT PROGRAM/PROJECT BY THE END OF THE FOURTH QUARTER EACH YEAR.

Activity: NSEDC staff evaluated the possibility of providing financial support for the development of a regional learning center in Nome, which is co-sponsored by the Bering Straits School District and the Nome Public School District, during the first quarter of 2004. NSEDC also funded five schools under the NSEDC 2004 Drug and Alcohol Prevention Program during the first quarter.

### **Education, Employment and Training Program - Employment Component**

MILESTONE: NSEDC AND NSSP WILL FACILITATE THE EMPLOYMENT OF 110 RESIDENTS OF THE REGION OR OF NEARBY COMMUNITIES ONTO FACTORY TRAWLERS, OTHER OFFSHORE FISHING VESSELS, NEAR-SHORE PROCESSORS AND FISHING VESSELS, AND IN SHORESIDE PROCESSING PLANTS BY THE END OF THE FOURTH QUARTER OF EACH YEAR

Activity: Thirty residents of member communities or of nearby communities received \$214,248.97 in crew share wages from Glacier Fish Company during the first quarter.

Two residents of a member community or of a nearby community worked for Norton Sound Ventures during the first quarter.

MILESTONE: NSEDC EET PERSONNEL WILL MAKE OUTREACH VISITS FOR THIS PROGRAM TO AT LEAST FIVE COMMUNITIES IN THE REGION OR OF NEARBY COMMUNITIES BY THE END OF THE FOURTH QUARTER OF EACH YEAR.

Activity: No activity this quarter

MILESTONE: NSEDC WILL PLACE AT LEAST SIX INTERNSHIPS IN OFFICE OR FIELD SETTINGS BY THE END OF THE FOURTH QUARTER EACH YEAR.

Activity: Three internship positions were sponsored by NSEDC at NSEDC offices during the first quarter. The following is a list of the interns and internship positions.

NSEDC

- Leslie Richards, Administrative Intern (White Mountain)
- Hayley Asicksik, Administrative Intern (Anchorage)

NSEDC Salmon Rehabilitation & Enhancement Program

- Vaughn Munn, Fisheries Technician (Nome)

### **Education Endowment**

MILESTONE: NSEDC WILL EVALUATE THE POSSIBILITY OF FUNDING THE EDUCATION, TRAINING, AND SCHOLARSHIP PROGRAM FROM EARNINGS OF THE EDUCATION, TRAINING, AND SCHOLARSHIP ENDOWMENT AND DEVELOP A SCHEDULE FOR DOING SO, BY THE END THE FOURTH QUARTER 2005.

Activity: No activity this quarter.

MILESTONE: NSEDC FINANCIAL ADVISORY COMMITTEE WILL REVIEW INVESTMENT PERFORMANCE AND ASSET ALLOCATION AT LEAST ONCE EACH QUARTER.

Activity: The NSEDC Financial Advisory Committee met and reviewed investment performances on January 22, 2004.

### **Revolving Loan Program**

MILESTONE: NSEDC WILL CONDUCT ANNUAL REVIEWS OF THE REVOLVING LOAN PROGRAM BY THE END OF THE 4<sup>TH</sup> QUARTER EACH YEAR.

Activity: The NSEDC Financial Advisory Committee met and reviewed the Revolving Loan Program on January 22, 2004.

MILESTONE: NSEDC FINANCIAL ADVISORY COMMITTEE WILL REVIEW THE REVOLVING LOAN PROGRAM PORTFOLIO QUARTERLY.

Activity: The NSEDC Financial Advisory Committee met and reviewed the Revolving Loan Program on January 22, 2004.

### **Fisheries Development Program**

MILESTONE: NSEDC WILL PREPARE A DETAILED PLAN TO CONDUCT FISHERIES DEVELOPMENT ACTIVITIES BY THE END OF THE SECOND QUARTER EACH YEAR.

Activity: A fisheries development plan for 2004 was completed by the program manager for Norton Sound Fisheries Research and Development during the first quarter.

MILESTONE: NSEDC WILL FUND AT LEAST ONE FISHERY DEVELOPMENT PROJECT BY THE END OF THE FOURTH QUARTER EACH YEAR.

Activity: Development and planning for upcoming 2004 projects took place during the first quarter.

### **Salmon Rehabilitation and Enhancement Program**

MILESTONE: NSEDC WILL PREPARE A DETAILED PLAN TO FUND SALMON REHABILITATION AND ENHANCEMENT PROJECTS BY THE END OF THE SECOND QUARTER OF EACH YEAR.

Activity: A salmon rehabilitation and enhancement plan for 2004 was completed by the program manager for Norton Sound Fisheries Research and Development during the first quarter.

MILESTONE: NSEDC WILL FUND AT LEAST ONE SALMON REHABILITATION AND ENHANCEMENT PROJECT BY THE END OF THE FOURTH QUARTER OF EACH YEAR.

Activity: Norton Sound Fisheries Research and Development continued the Chum & Coho Fecundity Project during the first quarter.

### **Shoreside Infrastructure Improvements Program**

MILESTONE: NSEDC WILL EVALUATE AT LEAST TWO SITE-SPECIFIC SHORESIDE INFRASTRUCTURE IMPROVEMENT PROJECTS EACH YEAR

Activity: NSEDC evaluated the possibility of providing financial support for construction of a multi-purpose building in Unalakleet and for relocating a freezer van from Unalakleet to Shaktoolik for freezing and storing bait for the fishermen during the first quarter.

MILESTONE: NSEDC WILL MAKE ALL APPROVED CONTRIBUTIONS TO THE NOME NAVIGATION IMPROVEMENTS PROJECT IN A TIMELY FASHION.

Activity: The 2004 contribution to the Nome Navigation Improvements Project was made to the City of Nome on February 20, 2004 in the amount of \$1,314,000.

### **CDQ Fees**

MILESTONE: NSEDC WILL MAKE ANY REQUIRED PAYMENTS OF CDQ FEES WITHIN 60 DAYS OF THE END OF THE QUARTER IN WHICH THEY ARE DETERMINABLE

Activity: No activity this quarter.

### **Norton Sound Seafood Products**

MILESTONE: THE NSEDC BOARD WILL ACT UPON THE RECOMMENDATIONS OF NSSP NO LATER THAN THE END OF THE SECOND QUARTER EACH YEAR.

Activity: NSSP Management will make their recommendations for the 2004 operations during the April board of director meetings.

MILESTONE: NSEDC OR AN NSEDC SUBSIDIARY WILL MARKET AT LEAST 50% (BY WEIGHT) OF THE CDQ CRAB ALLOCATED TO NSEDC BY THE END OF THE FOURTH QUARTER EACH YEAR.

Activity: This activity continues to be coordinated by NSEDC and Glacier Seafood International. Also, NSEDC recently established a joint venture arrangement with Royal Aleutian Seafoods for the processing and sales for NSEDC CDQ crab. The CDQ Norton Sound red king crab harvested out of Nome is directly marketed by NSSP.

### **Norton Sound Vessel Management**

MILESTONE: NORTON SOUND VESSEL MANAGEMENT WILL EVALUATE OPERATIONS IN THE REGION INCLUDING SUPPORT TO THE HERRING, SALMON, CRAB AND HALIBUT FISHERIES BY THE END OF THE SECOND QUARTER EACH YEAR

Activity: Norton Sound Vessel Management will prepare, in conjunction with the NSSP 2004 Operations Plan, proposed operations for NSVM for the upcoming season. These plans will be presented to the board at the meetings in April 2004.

MILESTONE: THE NSEDC BOARD WILL ACT UPON THE RECOMMENDATIONS OF NORTON SOUND VESSEL MANAGEMENT NO LATER THAN THE END OF THE SECOND QUARTER EACH YEAR

Activity: Norton Sound Vessel Management will prepare, in conjunction with the NSSP 2004 Operations Plan, proposed operations for

NSVM for the upcoming season. These plans will be presented to the board at the meetings in April 2004.

### **Community Outreach Program**

MILESTONE: PROVIDE STAFF SUPPORT AND FUNDING FOR THE PREVENTION OF ALCOHOL AND SUBSTANCE ABUSE BY THE END OF EACH YEAR.

Activity: NSEDC provided funding for five schools (Nome, Golovin, Shaktoolik, Stebbins and Diomed) during the first quarter in accordance with the NSEDC 2004 Drug & Alcohol Prevention Program.

MILESTONE: DIRECTLY CONTACT AT LEAST 30 INDIVIDUALS EACH QUARTER REGARDING THE AVAILABILITY OF NSEDC'S TRAINING AND SCHOLARSHIP PROGRAMS.

Activity: Ninety applicants received scholarships during the first quarter and at least twenty potential trainees were contacted regarding the upcoming Fisheries Safety Orientation Class in February during the first quarter.

### **Other Fund Management**

MILESTONE: NSEDC FINANCIAL ADVISORY COMMITTEE WILL REVIEW INVESTMENT PERFORMANCE AND ASSET ALLOCATION AT LEAST ONCE EACH QUARTER.

Activity: The NSEDC Financial Advisory Committee met and reviewed investment performance and asset allocation on January 22, 2004.

MILESTONE: NSEDC AND NSIC WILL PROVIDE INVESTMENT OVERSIGHT AND MONITORING OF ALL INCOME-PRODUCING INVESTMENTS DURING EACH QUARTER.

Activity: NSEDC and NSIC monitored all income-producing investments during the first quarter and presented a report to the board at the NSIC Management Committee meeting and the NSEDC Financial Advisory Committee meeting in January.

### **Board Training**

MILESTONE: THE NSEDC BOARD OF DIRECTORS WILL ATTEND AN ANNUAL RETREAT FOR THE PURPOSE OF BOARD TRAINING BY THE END OF THE 4TH QUARTER EACH YEAR.

Activity: No activity this quarter.

### **Substance Abuse Prevention**

MILESTONE: NSEDC WILL CONTINUE TO FOLLOW THE SUBSTANCE ABUSE POLICIES OUTLINED IN OUR PERSONNEL POLICIES.

Activity: NSEDC continued to follow the substance abuse policies during the first quarter.

MILESTONE: NSEDC WILL SCREEN ALL APPLICANTS FOR EMPLOYMENT POSITIONS WITHIN THE SEAFOOD INDUSTRY FOR DRUG-FREE STATUS.

Activity: NSEDC, GFC and NSV continued to screen all applicants for training and seafood industry employment opportunities during the first quarter.

MILESTONE: NSEDC WILL MAKE A GRANT TO EACH SCHOOL DISTRICT THAT FALLS WITHIN OUR MEMBER COMMUNITIES TO AID IN FUNDING AN ABUSE PREVENTION PROGRAM/CURRICULUM.

Activity: NSEDC provided funding for five schools (Nome, Golovin, Shaktoolik, Stebbins and Diomed) during the first quarter in accordance with the NSEDC 2004 Drug & Alcohol Prevention Program.

### **Community Benefit Share**

MILESTONE: THE NSEDC BOARD WILL DECLARE A COMMUNITY BENEFIT SHARE BY THE END OF THE THIRD QUARTER OF EACH YEAR.

Activity: No activity this quarter.

MILESTONE: NSEDC WILL TRANSMIT FUNDS TO EACH COMMUNITY THAT ACCEPTS THE TERMS OF THE COMMUNITY BENEFIT SHARE WITHIN 45 DAYS OF NSEDC'S NOTIFICATION OF THE ACCEPTANCE.

Activity: No activity this quarter.

## **A. Outreach**

NSEDC management and staff performed a number of outreach projects/activities during the first quarter of 2004.

- NSEDC Board of Directors held their 2003 fourth quarter meetings in Nome on January 21 -23 at the Bering Strait Native Corporation Board room, these meetings were open to the public.
- NSEDC Board of Directors notified residents of the 2003 fourth quarter meetings by placing an ad in the Nome Nugget Newspaper.
- The 2003 fourth quarter reports were mailed out to each member community city office, NSEDC Board of Director and Community Outreach Liaison.
- NSEDC placed a number of newspaper advertisements during the first quarter, please see the attachments to this report.
- NSEDC distributed a newsletter to each boxholder in our member communities.
- NSEDC has Community Outreach Liaisons in thirteen of our member communities with the EET office and the NSSC office serving the communities of Unalakleet and Nome, respectively. The NSEDC liaisons are sent informational fliers, applications, and other various information to disseminate to residents in their communities.
- NSEDC has a web page on the internet ([www.nsedc.com](http://www.nsedc.com)) in which constituents can access quarterly reports, newsletters, applications, and information regarding opportunities with NSEDC.

## B. Employment

### Employment Data Form

**Table 1**  
**EMPLOYMENT DATA FORM**  
**March 31, 2004**

	Quarter		Year-to-Date	
	People	Wages	People	Wages
<b>Management/Administrative</b>				
NSEDG	2	\$23,027.34	2	\$23,027.34
NSSP	3	\$26,931.60	3	\$26,931.60
<b>Total Management/Administrative</b>	<b>5</b>	<b>\$49,958.94</b>	<b>5</b>	<b>\$49,958.94</b>
<b>CDQ Pollock Related</b>				
A/B Season	18	\$200,444.34	18	\$200,444.34
C/D Season	0	\$0.00	0	\$0.00
<b>Total Pollock Related</b>	<b>18</b>	<b>\$200,444.34</b>	<b>18</b>	<b>\$200,444.34</b>
<b>NSSP Employment</b>	<b>0</b>	<b>\$0.00</b>	<b>0</b>	<b>\$0.00</b>
<b>Other NSEDG Employment</b>				
Skippers, Deckhands, etc.	0	\$0.00	0	\$0.00
<b>Total Other NSEDG Empl.</b>	<b>0</b>	<b>\$0.00</b>	<b>0</b>	<b>\$0.00</b>
<b>Other Fishing</b>				
GFC - Longline	7	\$13,804.63	7	\$13,804.63
NSV - Crab	2	\$3,067.86	2	\$3,067.86
Icicle Seafoods	2	\$10,496.55	2	\$10,496.55
O/A Norton Sound Winter Red King Crab	2	\$3,952.00	2	\$3,952.00
<b>Total Other Fishing</b>	<b>13</b>	<b>\$31,321.04</b>	<b>13</b>	<b>\$31,321.04</b>
<b>NSEDG Community Outreach Liaisons</b>	<b>14</b>	<b>\$18,500.00</b>	<b>14</b>	<b>\$18,500.00</b>
<b>Interns</b>				
NSEDG Administration	2	\$2,038.39	2	\$2,038.39
NSEDG Salmon Rehab.	1	\$6,431.13	1	\$6,431.13
<b>Total Interns</b>	<b>3</b>	<b>\$8,469.52</b>	<b>3</b>	<b>\$8,469.52</b>
<b>GRAND TOTALS</b>	<b>53</b>	<b>\$308,693.84</b>	<b>53</b>	<b>\$308,693.84</b>
	<b>NSEDG =</b>	<b>\$49,996.86</b>	<b>NSEDG =</b>	<b>\$49,996.86</b>
	<b>NSSP =</b>	<b>\$30,883.60</b>	<b>NSSP =</b>	<b>\$30,883.60</b>
	<b>Partners =</b>	<b>\$227,813.38</b>	<b>Partners =</b>	<b>\$227,813.38</b>

### Employment Summary

**Management/Administrative** – Five employees were employed by NSEDG/NSSP at various offices in the region, ten employees were employed in the administrative offices in Anchorage and two were employed in Seattle, WA during the quarter.



**CDQ Pollock** – Glacier Fish Company paid wages to eighteen residents of NSEDC member communities or nearby communities who were employed aboard the *F/V Northern Glacier* and the *F/V Pacific Glacier* during the quarter.

**Community Breakdown:** 2 employees from Mountain Village  
4 employees from Unalakleet  
1 employee for Kaltag  
2 employees from Anchorage  
2 employees from St. Michael  
2 employees from Shaktoolik  
3 employees from Shishmaref  
1 employee from Koyuk  
1 employee from White Mountain

**Other Fishing –**

Seven residents of member communities or of nearby communities were employed aboard the *F/V Norton Sound* and *F/V Glacier Bay* during the quarter.

**Community Breakdown:** 2 employees from Nome  
1 employee from Stebbins  
1 employee from Shishmaref  
2 employees from Anchorage  
1 employee from St. Michael

Two residents of member communities or of nearby communities were employed aboard the *F/V Alaskan Beauty* and *F/V Pacific Star* during the quarter.

**Community Breakdown:** 1 fisherman from White Mountain  
1 fisherman from Stebbins

Two residents of member communities or of nearby communities were employed by Icicle Seafoods as processors during the quarter.

**Community Breakdown:** 1 fisherman from Nome  
1 fisherman from Unalakleet

Two residents of member communities or of nearby communities delivered Norton Sound Winter red king crab to NSSP during the quarter.

**Community Breakdown:** 2 fishermen from Nome

**NSEDC Community Outreach Liaisons** – Fourteen residents filled the thirteen liaison positions during the quarter.

**Community Breakdown:** 2 liaisons from St. Michael  
1 liaison from Stebbins  
1 liaison from Shaktoolik  
1 liaison from Koyuk  
1 liaison from Golovin  
1 liaison from White Mountain

- 1 liaison from Brevig Mission
- 1 liaison from Teller
- 1 liaison from Wales
- 1 liaison from Diomede
- 1 liaison from Savoonga
- 1 liaison from Gambell
- 1 liaison from Elim

**Interns** – Three internship positions were sponsored by NSEDC during the quarter.

**Community Breakdown:**

- 1 intern from White Mountain
- 1 intern from Nome
- 1 intern from Anchorage (Shaktoolik)

## C. Training

### Training Data Form

**Table 2**  
**TRAINING DATA FORM**  
**March 31, 2004**

	Quarter		Year-to-Date	
	People	Expenditures	People	Expenditures
<b>Scholarships</b>				
Post-Secondary	71	\$84,811.50	71	\$84,811.50
Vocational	19	\$23,750.00	19	\$23,750.00
<b>Other Training</b>				
Fisheries Related	12	\$38,469.66	12	\$38,469.66
CDQ Staff				
CDQ Board				
Other				
<b>Other Expenditures</b>				
To Education Institute				
Education Endowment				
<b>TOTAL</b>	<b>102</b>	<b>\$147,031.16</b>	<b>102</b>	<b>\$147,031.16</b>

### Training Summary

#### Scholarships –

Ninety students received post-secondary and vocational scholarships in the quarter.

**Community Breakdown:**

- 4 students from White Mountain
- 21 students from Unalakleet
- 45 students from Nome
- 4 students from Gambell
- 1 student from Anchorage
- 3 students from Koyuk
- 2 students from Stebbins
- 4 students from Elim
- 2 students from Shishmaref
- 1 student from Golovin
- 2 students from St. Michael
- 1 student from Wales

## **Other Training –**

**Fisheries Related** – Twelve trainees out of a pool of twenty received their certification in Fisheries Safety Orientation Training from AVTEC in Seward, AK during the quarter.

**Community Breakdown:**

- 2 trainees from Unalakleet
- 1 trainee from Savoonga
- 1 trainee from Gambell
- 3 trainees from Elim
- 1 trainee from St. Michael
- 2 trainees from Koyuk
- 2 trainees from Stebbins

## **III. Administration**

### **A. Board Activities**

#### **Board of Director Meetings**

The NSEDC Board of Directors held their 2003 fourth quarter meetings in Nome on January 22 - 23, with the standing committees meeting on the 21<sup>st</sup> and 22<sup>nd</sup>.

#### **Substantial Decisions**

During the first quarter a number of items and decisions were approved and made by the NSEDC Board of Directors: approval to authorize NSIC to give final approval to Norton Sound Ventures Proposed Crab Operation; the decision to not have NSSP participate in the Norton Sound herring fishery for the 2004 season was made; the decision and approval to reduce the interest rate for the large vessel loan program from 8% to 6%.

#### **Board Meeting Minutes**

Please see Attachment 13

### **B. State of Alaska Reporting Compliance**

NSEDC complied with all State of Alaska requirements during the first quarter.

### **C. Amendment Status**

Amendments to the 2003-2005 Multi-species Community Development Plan (CDP) related to CDQ harvest management that were submitted during the first quarter of 2004 are listed below:

- CDP amendment 04-01NS: This technical amendment proposed to add the fishing vessel *F/V Pacific Star* to the list of eligible vessels for NSEDC. This amendment was approved by NMFS on January 16, 2004.
- CDP amendment 04-02NS: This technical amendment proposed to transfer 242.0 mt of Pacific cod annual CDQ in the A season from APICDA to NSEDC. This amendment was approved by NMFS on March 18, 2004.
- CDP amendment 04-03NS: This technical amendment proposed to transfer 9,200 pounds of opilio crab CDQ from NSEDC to CVRF for harvest by the *F/V Alaskan Enterprise*. This amendment was approved by ADF&G on March 19, 2004.

#### **IV. Harvesting Report**

##### **A. Pollock and Multi-species CDQ Harvest Activities by Target Fishery**

See the following tables below:

Table 3:	MS CDQ/PSQ Account Status Report 2004
Table 4:	Pollock Target Fishery
Table 5:	Pacific Cod Target Fishery
Table 6:	Atka Mackerel/Pacific Ocean Perch Target Fishery
Table 7:	Yellowfin Sole Target Fishery
Table 8:	Rock Sole Target Fishery
Table 9:	Flathead Sole Target Fishery
Table 10:	Bering Sea Greenland Turbot Target Fishery
Table 11:	Aleutian Islands Greenland Turbot Target Fishery
Table 12:	Bering Sea Sablefish Target Fishery
Table 13:	Aleutian Islands Sablefish Target Fishery
Table 14:	Halibut Harvest Activity
Table 15:	Crab Harvest Activity
Table 16:	CDQ Quota Transfers

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**Table 3**  
**MS CDQ/PSQ ACCOUNT STATUS REPORT**  
**through First Quarter 2004**

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**Table 4**  
**POLLOCK TARGET FISHERY**  
**(in metric tons)**

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**Table 5**  
**PACIFIC COD TARGET FISHERY**  
**(in metric tons)**



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**Table 6**  
**ATKA MACKEREL /PACIFIC OCEAN PERCH TARGET FISHERIES**  
**(in metric tons)**

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**Table 7**  
**YELLOWFIN SOLE TARGET FISHERY**  
**(in metric tons)**

**CONFIDENTIAL**

**Table 8**  
**ROCK SOLE TARGET FISHERY**  
**(in metric tons)**

**CONFIDENTIAL**

**Table 9**  
**FLAT HEAD SOLE TARGET FISHERY**  
(in metric tons)

**CONFIDENTIAL**

**Table 10**  
**BERING SEA GREENLAND TURBOT FISHERY**  
(in metric tons)

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**Table 11**  
**ALEUTIAN ISLANDS GREENLAND TURBOT TARGET FISHERY**  
(in metric tons)

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**Table 12**  
**BERING SEA SABLEFISH TARGET FISHERY**  
(in metric tons)

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**Table 13**  
**ALEUTIAN ISLANDS SABLEFISH TURBOT TARGET FISHERY**  
(in metric tons)



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**Table 14**  
**HALIBUT HARVEST ACTIVITY**  
(in metric tons)

**CONFIDENTIAL**

**Table 15**  
**CRAB HARVEST ACTIVITY**  
(in metric tons)

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**Table 16**  
**CDQ QUOTA TRANSFERS**  
(in metric tons)

## **B. CDQ Fishing Activities**

During the first quarter of 2004, NSEDC conducted CDQ fishing operations for pollock, Pacific cod and opilio crab in the Bering Sea. A summary of the harvest of annual CDQ for the groundfish species by target fishery through the end of the first quarter is provided in Table 3. Harvest information for each of these target fisheries by quarter are provided in Tables 4 - 13, CDQ halibut in Table 14 and CDQ crab in Table 15.

### **Pollock**

During the first quarter of 2004, NSEDC harvested 13,126 metric tons of CDQ pollock in the A season using the *F/V Pacific Glacier* and *F/V Northern Glacier*. The vessels started fishing CDQ pollock on January 20 and completed operations on March 18. The pollock fishery is now finished for the A season. The B season fishery opens on June 10. See Table 4 for a summary of the CDQ and PSQ harvest in the pollock fishery.

**Summary of bycatch:** The bycatch rate of other CDQ fish species in the pollock target fishery was about 1.3% of the pollock harvest. The bycatch was made up of a mix of CDQ species including Pacific cod, rock sole, flathead sole and a variety of other flatfish and other species. There was some bycatch of other chinook salmon and halibut but all within limits established for the fishery.

**Processing report:** Products from A season processing of CDQ pollock included roe, fillet blocks, surimi and mince.

### **Pacific Cod**

NSEDC harvested about 663 metric tons of Pacific cod in targeted CDQ fishing operations in the Bering Sea during the first quarter using the *F/V Norton Sound* and *F/V Glacier Bay*. The GFC-managed vessels started fishing for our CDQ cod quota following the completion of the open access fishery on March 13. The CDQ cod fishery will continue with the *Norton Sound* taking two and one-half trips and the *Glacier Bay* taking one full trip. Our projected timeframe for completion of the A season harvest of CDQ cod is mid-May. The B season CDQ cod fishery opens on June 10. See Table 5 for a summary of the CDQ and PSQ harvest in the cod target fishery.

**Summary of bycatch:** The bycatch rate of other CDQ fish species in the cod target fishery was about 29.1% of the cod harvest. Bycatch primarily consisted of 'other species' including skate and sculpin and non-quota pollock, with smaller amounts of a variety of flatfish and rockfish.

**Processing report:** Products from our Pacific cod CDQ fishery were primarily headed and gutted, eastern-cut and western cut cod packaged and frozen in

approximately 40-pound and 50-pound blocks, and small amounts of cod milt, stomachs and roe.

### **Sablefish**

NSEDC did not conduct fishing operations for sablefish in the BSAI during the first quarter. CDQ fishing operations for sablefish will start during the second quarter of the year.

### **Greenland Turbot**

NSEDC did not conduct targeted fishing operations for CDQ Greenland turbot in the BSAI during the first quarter. CDQ fishing for Bering Sea turbot is scheduled to commence in May.

### **Atka Mackerel**

NSEDC did not harvest CDQ Atka mackerel in the Aleutian Islands during the first quarter. Harvesting plans call for CDQ fishing to start in October or November.

### **Yellowfin Sole and Rock Sole**

There was no directed harvest of CDQ yellowfin sole, rock sole and/or other flatfish fisheries during the first quarter. NSEDC will start a CDQ flathead sole fishery at the end of April and yellowfin sole sometime thereafter.

### **Halibut**

NSEDC did not conduct targeted fishing operations for CDQ halibut in IPHC Area 4D during the first quarter. CDQ halibut fishing in the Norton Sound region will commence in mid-June.

### **Bering Sea Opilio Crab**

During the first quarter, the *F/V Alaskan Beauty* and *F/V Pacific Star* – vessels which are partially owned by NSEDC - harvested and delivered a total of 311,570 pounds of CDQ opilio crab including both live and dead crab out of a total CDQ allocation of 320,775 pounds (see Table 15). The fishery commenced on February 2 and the final delivery of CDQ crab was made by March 16. NSEDC-contracted vessels made three deliveries and did not harvest 9,205 pounds of the CDQ allocation. Dead loss from this harvest was 10,803 pounds or 3.5 % of total CDQ poundage delivered. In an effort to harvest additional quota which remained after the final delivery from the *Alaskan Beauty*, NSEDC transferred 9,200 pounds to CVRF for harvest by one of their contract vessels. This transferred quota however was not harvested.

NSEDC placed and paid for crab observers on both harvesting vessels.

**Summary of bycatch:** N/A

**Processing report:** Royal Aleutian Seafoods processed the catch of CDQ opilio at their land-based facility located in Dutch Harbor. NSEDC operated under a joint venture arrangement for the processing and sales of product with Royal Aleutian. Opilio product included no. 1 fancy and Grade A in various sizes of frozen clusters packed in 25-pound boxes.

**Norton Sound Red King Crab**

There was no directed harvest of CDQ red king crab in Norton Sound during the first quarter. CDQ fishing operations in the Norton Sound region targeting red king crab will start in mid-June prior to the open access fishery.

**Bristol Bay Red King Crab**

NSEDC did not harvest CDQ red king crab in Bristol Bay during the first quarter. The Bristol Bay red king crab fishery usually commences on October 15 and the CDQ fishery starts thereafter.

**St. Matthew Blue King Crab**

There was no harvest of CDQ king crab at St. Matthew during the first quarter. This commercial crab fishery is closed again to open access and CDQ harvest in 2004.

**Bering Sea Bairdi Crab**

There was no harvest of CDQ bairdi crab during the first quarter. This commercial crab fishery is closed again to open access and CDQ harvest in 2004.

**Compliance/Enforcement Issues**

To the best of our knowledge, the *Northern Glacier*, *Pacific Glacier*, *Norton Sound*, *Glacier Bay*, *Alaskan Beauty* and *Pacific Star* operated in compliance with applicable federal and state laws and regulations governing the fisheries in the Bering Sea and Aleutian Islands while conducting CDQ harvesting operations on behalf of NSEDC. There were no vessel or fishing violations, illegal activities and/or fines or penalties against these vessels reported by National Marine Fisheries Service Enforcement, U.S. Coast Guard, Alaska Department of Fish and Game or any other regulatory and enforcement agency.

**CDQ Crab Custom Processing and Sales Activities**

NSEDC continues to operate under a CDQ crab processing agreement with Royal Aleutian Seafoods which includes options for NSEDC-directed custom processing

and sales, and joint venture arrangements and profit sharing with Royal Aleutian for the processing and sales of CDQ crab product. During the quarter, NSEDC completed transactions involving the 2003 Bristol Bay red king crab fishery, and started and completed operations for the 2004 CDQ opilio fishery.

### **2003 Bristol Bay red king crab**

As previously reported, NSEDC and Royal Aleutian Seafoods joint ventured in the processing and sales of red king crab from the CDQ fishery in Bristol Bay in 2003. The entire production went into the joint venture operation with a focus on fresh cooked product and live crab. Product sales were completed and expenses were finalized, and our share of the profits was received during this quarter.

### **2004 Opilio**

During the first quarter, NSEDC and Royal Aleutian again decided to work under the joint venture option for the processing and sales of product from the CDQ opilio fishery. Royal Aleutian processed the delivered crab from our harvesting vessels into a variety of brine frozen products including 5-8 oz. grade A and number 1 fancy packed in 25-pound cartons. Royal Aleutian was responsible for processing the crab and selling the product. NSEDC and Royal Aleutian shared in the profits from the sales of CDQ product.

## **V. Confidential Issues**

### **A. Financial Statements**

- NSEDC Statement of Financial Position (Attachment 1)
- NSEDC Statement of Activities (Attachment 2)
- NSEDC Statement of Cash Flows (Attachment 3)
- NSEDC Administrative Expense Schedule (Attachment 4)
- NSEDC Budget to Actuals (Attachment 5)
- NSEDC Species Royalty Analysis (Attachment 6)
- Glacier Fish Company Report
  - Balance Sheet (Attachment 7)
  - Comparative Schedule of Operations (Attachment 8)
  - Statement of Cash Flows (Attachment 9)
- Norton Sound Ventures LLC
  - Balance Sheet (Attachment 10)
  - Consolidated Income Statement (Attachment 11)
  - Statement of Cash Flows (Attachment 12)

In accordance with State of Alaska Statutes 6AAC93.070 (b), (c), and (d), NSEDC requests these and other documents marked “CONFIDENTIAL” be kept confidential and not released to the public or any other party.

**B. Tax Issues**

None

**C. Imminent Major Investments**

None, other than anything that NSEDC may have provided to the State of Alaska under a confidentiality petition.

**D. Other**

Also included as attachments to this report are newspaper advertisements for the first quarter.